



Agenda Date: August 16, 2000
Agenda Item: LSA

STATE OF NEW JERSEY

Board of Public Utilities

*Two Gateway Center
Newark, NJ 07102*

IN THE MATTER OF THE PETITION OF)	ENERGY
THE FILINGS OF THE COMPREHENSIVE)	ORDER
RESOURCE ANALYSIS OF ENERGY)	DOCKET NO.S EX99050347,EO99050348,
PROGRAMS PURSUANT TO SECTION 12)	EO99050349, EO99050350, EO99050351,
OF THE ELECTRIC DISCOUNT AND)	GO99050352, GO99050353, GO99050354
ENERGY COMPETITION ACT OF 1999)	

(Service list attached)

BY THE BOARD:

Pursuant to the Electric Discount and Energy Competition Act, P.L. 1999, c.23, sec. 12a(3), the Board of Public Utilities is required to undertake a Comprehensive Resource Analysis of Energy Programs. Accordingly, the State's gas and electric utilities filed petitions and various parties intervened. Throughout hearings in November 1999, the parties engaged in settlement negotiations. These efforts resulted in two separate Stipulations signed by different groups of the parties on which all parties have commented.

Consistent with its broad authority to regulate public utilities by balancing the needs and rights of the regulated community, the ratepayers and such other entities which are affected, the Board has determined that further information would aid the process of evaluating the competing Stipulations. Accordingly, the Board HEREBY ORDERS that answers to the questions attached hereto as Exhibit A be submitted to the Board in one submission by each utility by the close of business, August 21, 2000. Worksheets and the names of individuals participating in the preparation of the answers shall be included in the joint submission. The other parties shall also receive this submission on that date.

The Ratepayer Advocate shall file answers to the questions set forth on Exhibit A, with work papers and the names of individuals who participated in the preparation of the answers, with the Board and to the other parties by the close of business on August 28, 2000. Should the Ratepayer Advocate wish to submit any more particularized response to the utilities joint exhibit, it shall file same with the answers. Any other non-utility party wishing to answer and/or comment on the utilities' submission shall submit same as a joint submission with that to the

Ratepayer Advocate. If the utilities wish to respond to the other parties' submission, said response shall be filed jointly with the Board by the close of business on September 1, 2000.

DATED:
8/16/00

BOARD OF PUBLIC UTILITIES
BY:

SIGNED
HERBERT H. TATE
PRESIDENT

ATTEST:

SIGNED
CARMEN J. ARMENTI
COMMISSIONER

SIGNED
FRANCES L. SMITH
BOARD SECRETARY

SIGNED
FREDERICK F. BUTLER
COMMISSIONER

**ASSUMPTIONS/METHOD TO BE USED IN MAKING
ESTIMATES OF RATE IMPACTS OF CRA PROPOSALS
AT THE END OF THE TRANSITION PERIOD**

1. Assume that the Demand Side Management (DSM) component of the current Societal Benefits Charge (SBC) continues unchanged for the duration of the transition period (from September 15, 2000, the effective date of CRA funding assumed for purposes of this analysis, through July 31, 2003, the end of the restructuring transition for the electric utilities).
2. Assume continued recovery of committed costs under DSM programs previously approved by the Board (committed DSM costs). For PSE&G, RECO, NJN and SJG, also include amortization of the beginning DSM-related deferred balance ratably over the transition period.
3. Calculate the amount available for new CRA programs, on an annual and partial year basis, as the difference between the revenue collected by the DSM component of the SBC and committed DSM costs.
4. For both the Utility and Ratepayer Advocate settlement proposals, provide the estimated annual and partial-year cost of the proposed new CRA programs over the transition period, as set forth in each stipulation.
5. Calculate the deferral attributable to the CRA as the difference between the amount available for new CRA programs (determined in accordance with Assumption 3 above) and the cost of the new CRA programs (determined in accordance with Assumption 4 above), including interest calculated in accordance with the Board's Orders approving the unbundled rates, as of the end of the transition period. For both settlement proposals, calculate the deferral for each utility. For the following utilities, calculate the deferral for each of the following options:
 - (a) for Conectiv and Elizabethtown, with and without the inclusion of the beginning balance of overrecovered DSM costs as part of the amount available for new CRA programs;
 - (b) for GPU Energy, with and without the company-proposed allocation of the overrecovery of DSM costs above the amount applied to the recovery of Freehold buyout costs during the transition period;
 - (c) for PSE&G's electric operations, with and without the company-proposed restoration of the 4/98 DSM-related base rate increase and related "lost revenues."
6. For all options, convert the CRA-related deferral to cents per kwh or per therm by multiplying the deferral by 1.06, which provides for the New Jersey Sales and Use Tax

(NJSUT), and dividing the result by the annual kwh or therms of sales subject to the SBC projected for the 12 month period immediately following the transition period (the 12 months ended July 31, 2004).

7. Determine the average overall rate per kwh or per therm billed customers at the end of the transition period. For the electric utilities, this will be calculated as the annualized average rate billed all customers at rates in effect on 7/31/03, after reflecting the remaining rate reductions approved by the Board's restructuring Orders, and assuming that no customers switch to third party suppliers for purposes of this analysis. For the gas utilities, assume no change from current rates for purposes of this analysis. In all cases, the average rate should be that applicable to sales billed the SBC, and should include NJSUT.
8. Determine the percentage rate impact of the CRA proposals and options by dividing the amount per kwh or per therm determined in accordance with Assumption 6 by the average rate per kwh or per therm determined in accordance with Assumption 7.
9. Include spreadsheets in both hard copy and electronic form showing all data used and steps performed in making the requested rate impact calculations.